

EMPLOYEES' RETIREMENT SYSTEM OF THE COUNTY OF MILWAUKEE

MINUTES OF THE APRIL 16, 2008 PENSION BOARD MEETING

1. Call to Order

Mr. Thomas Weber, acting as Chairman, called the meeting to order at 8:35 a.m. in the Green Room of the Marcus Center, 127 East State Street, Milwaukee, Wisconsin 53202.

2. Roll Call

Members Present:

Linda Bedford
Donald Cohen
Roy Felber
Jeffrey Mawicke
Marilyn Mayr
Dr. Sarah Peck
Thomas Weber (Vice Chairman)

Members Excused:

John Parish
Dr. Dean Roepke (Chairman)

Others Present:

David Arena, Director of Employee Benefits, Department of Administrative Services
William Domina, Corporation Counsel
Mark Grady, Principal Assistant Corporation Counsel
Gerald J. Schroeder, Interim ERS Manager
Jerry Heer, Director of Department of Audits
Gordon Mueller, Fiscal Officer
Vivian Aikin, ERS Administrative Specialist
Rick Ceschin, County Board Research Analyst
Bess Frank, Ad Hoc Oversight Committee
Sushil Pillai, V3 Project Manager
Dennis John, Chief Information Officer, IMSD-DAS
Steven Huff, Reinhart Boerner Van Deuren s.c.
Leigh Riley, Foley & Lardner LLP
Terry Dennison, Mercer Investment Consulting (by telephone)
Kristin Finney-Cooke, Mercer Investment Consulting
Michael Brown, Baring Asset Management, Inc.
David Bertocchi, Baring Asset Management, Inc.
William Tsotsos, Baring Asset Management, Inc.
John Mellinger, Bogdahn Consulting, LLC
Ken Loeffel, Retiree
Louis Metz, Retiree

Nancy Beck-Metz, Retiree
Esther Hussey, Retiree
Gloria Yelezyn, Retiree
Jack Hohrein
Steve Schultze, *Milwaukee Journal Sentinel* Reporter

3. Public Comment Period

Mr. Weber acted as Chairman during Dr. Roepke's excused absence while attending a seminar. Mr. Weber stated that Dr. Roepke wanted him to open the floor to accommodate the comments of the attendees. Mr. Weber noted that Pension Board meeting agendas are very lengthy and a public comment period may streamline the meetings. He indicated that the Pension Board will discuss the details of the public comment period under Agenda Item 14.

Ms. Mayr stated that the Pension Board discussed the public comment period at the last Pension Board meeting. She indicated that the Pension Board reviewed the possible use of public comment cards. She expressed her view that as owners in ERS, the retirees should be provided the opportunity to make meaningful comments. She noted that the public would not be able to comment on items not yet discussed on the agenda if the public could only comment at the beginning of the meeting. She opined that the Pension Board should follow the Milwaukee County Board of Supervisor's practice of providing comment cards to the audience, which allows the public to speak on items as they arise during the meeting. Mr. Grady stated that there will be a discussion of possible public comment practices under Agenda Item 14. He pointed out that the public comment period is not a question and answer session, because the Pension Board cannot answer questions about items not on the agenda.

Mr. Hohrein opined that not allowing comments during the meeting runs counter to both Wisconsin's open records law and Milwaukee County General Ordinance section 56.24. He provided Mr. Weber with a sample Milwaukee County comment card and a copy of the Ordinance.

4. Chairman's Report

Mr. Weber stated that there will be no Chairman's Report.

5. Minutes of the March 19, 2008 Pension Board Meeting

The Pension Board reviewed the minutes of the March 19, 2008 Pension Board meeting.

The Pension Board unanimously approved the minutes of the March 19, 2008 Pension Board meeting. Motion by Mr. Cohen, seconded by Ms. Bedford.

6. Reports of Employee Benefits Director, Interim ERS Manager and Fiscal Officer

(a) Retirements Granted

Mr. Schroeder presented the Retirements Granted Report for March 2008. He reported that 30 retirements were granted in March, noting that 15 retirees elected a back DROP.

(b) ERS Monthly Activities Report

Mr. Schroeder reviewed the 2008 ERS Monthly Activities Report. He stated that 51 employees retired in the first quarter of 2008 and that ERS paid \$34,852,142.00 in benefit payments in the first quarter. He indicated that as of March 31, 2008, there were 7,282 retirees.

Mr. Schroeder reviewed the progress of the records maintenance efforts for the V3 project. He stated that as of March 31, 2008, 9,500 items of data had been imaged, which represents 53% of all items. He indicated that the imaging project is expected to be completed by June 1, 2008. He pointed out that file imaging involves the cleansing and formatting of images for the V3 project, which is planned to go live in January 2009.

Mr. Schroeder stated that the interviews for the ERS Coordinator position are being held today. He noted that he recently posted the Retirement Office records room position and that he drafted descriptions for the three ERS assistant positions provided for in the budget. He indicated that he hopes to have these positions filled within the next couple of months in order to have the best-trained staff in place for the January 2009 V3 system go live date.

In response to a question from Ms. Mayr, Mr. Schroeder clarified the buy in/buy back line item on the ERS Monthly Activities Report and noted that he could add more detail in the future. Mr. Schroeder stated that no new buy in applications have been accepted since the December 31, 2006 sunset date.

(c) Administrative Expenses

Mr. Mueller reviewed ERS's 2007 administrative expenses. He indicated that over 70% of the expenses correlate to salaries. He pointed out that the 2007 postage expense was lower because postage fees are now included in some of the contracts with vendors. In response to a question from Ms. Mayr, Mr. Grady stated that the 2007 Corporation Counsel expense includes all corporation counsel cross-charges.

The Pension Board unanimously approved the disbursement of \$915,867.70 for County-paid disbursements. Motion by Ms. Bedford, seconded by Mr. Cohen.

(d) Cash Flow Quarterly Report

Mr. Mueller reviewed the cash flow report. He stated that ERS's cash flow needs look good until July, when ERS may need \$5 million for benefit payments. He noted he received an inquiry from the County Treasurer asking if the County could make the \$10 million June County contribution in July. Mr. Mueller indicated that it appears that ERS will have a \$5 million excess cash flow in May. He asked and the County Treasurer agreed to have the County contribute \$5 million to ERS in both May and June, with the remaining balance to be contributed to ERS in July. Mr. Mueller stated the County previously cooperated with the Pension Board when ERS needed an additional \$5 million for back DROP payments in 2005. The Pension Board agreed with Mr. Mueller's plan of action.

7. Investments

(a) Mercer Report

Ms. Finney-Cooke presented Mercer's Flash Report for March 2008. She stated that ERS had a market value of just over \$1.51 billion at the end of March and that ERS's market value decreased by 0.7% during March, which trailed the reference index by 40 basis points.

Ms. Finney-Cooke reported that the large cap domestic equity market fell 0.7% during March, while the small cap equity market advanced 0.4%. She noted that growth outpaced value in the large cap space, and value outperformed growth in the small cap space. She reviewed the performance of the international equity market, noting that the MSCI EAFE Index of developed markets fell 1.0%. She pointed out that emerging markets fell 5.3% in March. She stated that the investment grade fixed income market increased 0.3% during March and the high yield issues decreased 0.5%.

She stated that Boston Partners has been underperforming its benchmark for the year to date. She discussed the performance of the mid cap domestic equity market. She noted that iShares is a temporary investment slot for the mid cap value money until a new investment manager is found. She indicated that EARNEST Partners and Reinhart Partners both performed better in March, while Artisan Partners' performance lagged.

Ms. Finney-Cooke reviewed the performance of ERS's investment managers. She pointed out that AQR struggled in March, but Mercer is not yet concerned because AQR is still in its early stage as an ERS investment manager. Mr. Felber asked how much time an investment manager is given to recover from poor performance. Ms. Finney-Cooke stated that there are evaluation triggers at three, five and seven

years and that a full market cycle is between five to seven years. She indicated that it is rare to retain an underperforming manager for seven years.

Following up on Ms. Finney-Cooke's comments, Mr. Dennison noted that investment managers within a certain asset class may think about the market differently, which results in varied returns. He pointed out that a fund such as ERS should not hire investment managers who all think the same way in order to maintain a diversified portfolio. He stated that a diversified portfolio will always have investment managers who are out of favor with the market. Otherwise, the portfolio risks all managers being out of favor with the market at the same time, which would result in overall poor performance. He indicated that a manager's performance could lag a year or two and then it could outperform the market. He discussed how Mercer would be more concerned if a manager switched its style or strategy. Mr. Felber stated that he wants to make sure that the Pension Board is more proactive than reactive with respect to underperforming investment managers. Ms. Finney-Cooke agreed, but noted that a fund does not want to chase a manager's prior good returns, only to have that manager perform poorly when the manager's style becomes out of favor with the market. Mr. Grady indicated that AQR's relative performance exceeds its benchmark for the year to date and one year periods.

Ms. Bedford expressed concern about the methodology employed by quantitative managers and inquired whether the Pension Board should be more mindful of quantitative managers in light of the recent poor performance of quantitative managers. Ms. Finney-Cooke agreed that many quantitative managers have performed poorly recently. She discussed how quantitative managers use computer generated models to generate Alpha, which is excess return over the benchmark. She indicated that there is a role for quantitative managers in a diversified portfolio, but the Pension Board must be comfortable with them. She pointed out that the Pension Board tends to choose more fundamental managers and also performs more due diligence on investment managers than most boards. Dr. Peck stated that the Pension Board wants diversity in investment manager styles as well as diversity in asset classes.

(b) Investment Manager Report – Baring Asset Management, Inc.

Mr. Brown, Mr. Bertocchi and Mr. Tsotsos distributed a report on Baring Asset Management, Inc.'s ("Baring") management of ERS's international equity strategy and presented it to the Pension Board on behalf of Baring. Mr. Tsotsos stated that Baring is an independent subsidiary of Mass Mutual. He indicated that Baring has \$48.6 billion of assets under management. He noted that Baring has a long history of managing investment products that deliver superior, repeatable, risk-adjusted returns. He pointed out that Baring has an international presence with research centers in London, Boston, Tokyo and Hong Kong.

Mr. Tsotsos discussed the factors that set Baring apart from other international equity investment managers. He stated that Baring has a local presence that spans the globe. He noted that Baring invests in equities of all capitalization levels, universes and holdings, which allows Baring to identify opportunities and exploit market anomalies at all levels. He indicated that Baring spends time using the top down investment approach, incorporating regions, countries and sectors in its stock selection, which allows Baring to provide superior investment returns to its clients. He described how Baring's strategy has performed consistently through all types of market environments. He noted how the international investment product ERS is invested in is capacity constrained and will close at some point. He pointed out that Baring recently had a change in its investment team, but the team's structure and depth is such that it will not have too great an impact. He stated that Mr. Bertocchi is the strategy's new portfolio manager.

Mr. Brown reviewed Baring's investment process in more detail. He noted that nothing will change with Mr. Bertocchi as the international portfolio manager. Mr. Brown pointed out that Mr. Bertocchi previously ran the global portfolio, which included the same inputs and maintained the same philosophy, but included investments in United States securities.

Mr. Bertocchi described Baring's investment process. He stated that Baring focuses on value-added attribution. He noted that about half of the performance attribution comes from stock selection, a little less than half comes from region selection and a small percentage comes from currency, but Baring does not actively seek currency gains. He reviewed Baring's weighted scoring methodology, which is comprised of Baring's fundamental scoring framework, sector policy research and country policy research. He indicated that Baring's philosophy is to choose stocks that have unrecognized growth. He noted that Baring looks at multiple valuation metrics prior to investing in a company and that the primary research is conducted in the local markets.

Mr. Bertocchi described Baring's stock scoring system and noted that each stock is scored between a 1 and 5 (where 1 means outperform, and 5 means underperform). He stated that Baring ranks 75% of all EAFE stocks. He pointed out that the Baring stock score versus benchmark chart on page 8 of its report demonstrates that Baring's analysts have been correct in evaluation of stocks, as stocks with a score of 1 or 2 have returns above their benchmarks and stocks with a score of 4 or 5 have returns below their benchmarks. He discussed how Baring focuses on choosing stocks that have a score of 1 or 2 and does not own any stocks with a 4 or 5 score. He indicated that Baring pays its analysts on how well they pick stocks.

Mr. Bertocchi stated that Baring analyzes stocks with four corporate characteristics. He indicated that Baring looks for unrecognized growth, credible

management, shareholder value creation and a favorable risk/reward composition. He discussed how these four characteristics are computed into a stock score. He noted that Baring stays in regular contact with its target companies and that Baring made 2,700 company visits last year.

Ms. Riley asked if Baring was concerned that stocks with a 2 score are outperforming stocks with a 1 score. Mr. Bertocchi replied that there is an element of conservatism in grading a stock and that sometimes stocks with a 1 score are downgraded to a 2 score too fast. Mr. Tsotsos pointed out that some analysts do not give any stocks a 1 score, which skews the results.

Mr. Brown described Baring's use of global sector teams. He stated that the head of each sector develops a best ideas list for the sector. He noted the stocks included on the best ideas list comprise approximately 70% of the portfolio. He indicated that there is a ready replacement list for companies contained in the best ideas list. He discussed how Baring looks at countries from the top down perspective. In response to a question, Mr. Bertocchi stated that the portfolio holds approximately 50 stocks at 2% each. In response to a question from Dr. Peck, Mr. Bertocchi indicated that Baring reweights the portfolio once per quarter to maintain style consistency.

Mr. Brown reviewed Baring's risk control processes, which includes a "value at risk model" that is comprised of four factors. He noted that Baring sells a stock if it is downgraded to a 4 or 5 score. He discussed how Baring will either sell a stock if it believes the stock has reached its full valuation or hold on to the stock if Baring thinks the stock will continue to increase in value. In response to a question from Mr. Grady, Mr. Bertocchi stated that a stock's score changes frequently because there is a competition to be the best analyst and the stock's score is not inflated because the analyst's compensation is based on accurately analyzing the stock. In response to a question from Mr. Mawicke, Mr. Bertocchi stated that Baring's senior policy group is responsible for analyzing the market at a macro level, including top-down, country scores, sector scores and investment themes.

Mr. Tsotsos reviewed the ERS portfolio's performance figures. He stated that the portfolio is down 9.5% as of the end of the first quarter, while the overall market is down 8.8%. He noted that the emerging market is down 11.1% in 2008. He indicated that significant contributors have been the overweighting of energy and materials and the stock selection in Europe. He pointed out that small cap stocks and the allocation to financials and emerging markets detracted from the portfolio's performance. He stated that there has been a flight to quality. He reported the top ten performers in the portfolio.

Mr. Tsotsos reviewed the overweighting and underweighting by country and sector compared to the benchmark. He stated that the ERS portfolio was overweight in global emerging markets, Singapore and Australia and underweight in the United Kingdom, Hong Kong, Continental Europe and Japan. He indicated that the portfolio was overweight in energy, materials, telecommunications services and healthcare, and underweight in consumer staples, industrials, information technology, utilities, consumer discretionary and financials. He listed the ERS portfolio's ten largest holdings.

In response to a question from Dr. Peck, Mr. Bertocchi stated that there is a housing market bubble in Australia, but Australian resource companies, such as mining, are performing well. Mr. Weber asked whether Baring factors in the market impact of possible dividend or capital gains changes. Mr. Bertocchi responded that the market will absorb the information in a quarter or two.

The Pension Board excused Mr. Brown, Mr. Bertocchi and Mr. Tsotsos from the meeting.

(c) Investment Committee Report

Dr. Peck reported on the April 7, 2008 Investment Committee meeting. She stated that the Investment Committee listened to a portable Alpha discussion given by Jeffrey Mellas and Jon Baranko from Wells Capital Management. Dr. Peck indicated this educational presentation was in preparation for the asset allocation study next year.

Dr. Peck discussed the due diligence trips that were made to Artisan Partners and WEDGE Capital Management to choose the replacement manager for the mid cap value equity space. She noted that both candidates were very good. She pointed out that WEDGE takes less risk and earns lower returns, while Artisan takes on more risk but achieves higher returns. She stated that Artisan charges higher fees and has had no manager turnover, while WEDGE has experienced some manager turnover. She also noted Artisan is Milwaukee based. She reported that the Investment Committee suggested that the Pension Board choose Artisan to replace Hotchkis & Wiley. She stated that the Investment Committee discussed what Artisan was doing in the Milwaukee community. Dr. Peck reported that she and Ms. Bedford met with an Artisan representative at Artisan's Milwaukee headquarters to discuss Artisan's impact on the local economy. In response to a question from Mr. Weber, Ms. Finney-Cooke stated that Mercer is comfortable with the Pension Board selecting Artisan.

The Pension Board unanimously approved the recommendation of the Investment Committee to select Artisan Partners as ERS's mid cap value equity manager. Motion by Dr. Peck, seconded by Ms. Bedford.

The Pension Board excused Ms. Finney-Cooke from the meeting.

8. Vitech Project Report

Mr. Arena introduced Mr. Pillai, the V3 Project Manager, and described his role in the V3 project. Mr. Pillai discussed the status of the V3 project, including the progress of the backfile imaging, which is expected to be completed by the end of May. Mr. Pillai reported to the Board that the V3 system is scheduled to go live in January 2009. In response to a question from Ms. Mayr, Mr. Pillai discussed the status of the Ceridian interface issues.

Dr. Peck moved that the Pension Board adjourn into closed session for the purpose of receiving oral or written advice from legal counsel concerning strategy to be adopted with respect to pending or possible litigation and for considering the financial, medical, social or personal histories or disciplinary data of specific persons which, if discussed in public, would be likely to have a substantial adverse effect upon the reputation of any person referred to in such histories or data.

The Pension Board voted 5-2 by roll call vote, with Mr. Felber and Ms. Mayr dissenting, to enter into closed session to discuss Agenda Item 8. Motion by Dr. Peck, seconded by Ms. Bedford.

9. Vitech Implementation Oversight Committee Report.

Upon returning to open session, Mr. Heer discussed his meeting with the V3 project management team. He noted that he is comfortable with the changes to the V3 project management team. He agreed with Mr. Pillai's comments that the changes that are being made with respect to the V3/Ceridian interface will be productive in the future.

10. Audit Committee Report

Mr. Weber reported on the March 27, 2008 Audit Committee meeting. He indicated that the Audit Committee discussed the investment custodian RFP. He noted that ERS received responses from four vendors and that each respondent has been asked to make a presentation to the evaluation panel in early May. He pointed out that there is a large amount of information that must be analyzed before selecting an investment custodian. Because the evaluation panel must review all of the details, the Audit Committee suggested hiring a local custodian consultant to assist the evaluation panel with the process. Mr. Weber stated that the Audit Committee asked Mr. Huff to provide the Audit Committee with potential consultant candidates based on other consultants his firm's attorneys had worked with in the past. Mr. Huff stated that he provided the Audit Committee with the names of three candidates, one of which was not considered by the Audit Committee due to its geographical location. Another candidate suggested to the Audit Committee, Robert W. Baird & Co. Private Asset Management, decided not to

submit a proposal to the Board. Mr. Huff reported that he told Mr. Grady prior to the meeting that only one candidate would make a proposal to the Board today. Mr. Huff introduced John Mellinger of Bogdahn Consulting, LLC. Mr. Mellinger presented a written proposal to the Pension Board to serve as custodian consultant to evaluate the responses to ERS's request for proposal for investment custodian services.

Mr. Mellinger introduced himself and stated that he headed the master trust custody area for ten years at U.S. Bank's predecessor. He indicated that he has experience dealing with all of the custodians who responded to the RFP. He discussed his firm's consulting services and clients. In response to a question from a Pension Board member, Mr. Mellinger stated that he works with custodians on an ongoing basis as a consultant and is familiar with the financial aspects of custodians and securities lending practices through his work as a consultant and his former master trust custody position. In response to a question from Ms. Mayr, Mr. Mellinger stated that he could provide a reference from a custodian search client. Mr. Huff pointed out that Mr. Mellinger was told that his role would be to assist in evaluating primarily the financial aspects of the custodian search. Ms. Bedford inquired what process is used to ensure that ERS will select the custodian with the best fit. Mr. Mellinger stated that the top custodians responded to the RFP. He indicated that the differences between the custodians will not be glaring, so ERS will need to determine whether any of the other custodians offer any services that would better suit ERS than those it currently receives.

Mr. Weber stated that the Pension Board should not discuss the custodian search in detail because all vendors will have an opportunity to provide answers at their presentations. Mr. Mellinger stated that he is aware of the ERS's timeline to select a custodian. He indicated that he is available to attend their presentations and to help develop questions to ask the custodians. Mr. Mellinger proposed a fee of \$7,500 for his services and stated that he will add value to the process for that fee. Mr. Arena stated that the retention of Mr. Mellinger is a good idea and will be a good value. Mr. Grady indicated that an RFP is not needed to hire Mr. Mellinger.

The Pension Board voted 6-0-1, with Ms. Mayr recusing herself, to retain Mr. Mellinger to assist with the investment custodian RFP evaluation process for a flat fee of \$7,500. Motion by Dr. Peck, seconded by Ms. Bedford.

11. Continuation of Evaluation of Service Providers

The Pension Board reviewed a chart listing ERS's current service providers, excluding legal counsel, and the date that the service providers were last subject to the RFP process. Ms. Mayr expressed concern that it has been quite some time since some ERS service providers were subject to the RFP process. She stated that the investment consultant will be the next RFP and then legal counsel, unless legal counsel is retained through Corporation Counsel. In response to a question, Mr. Huff indicated that the last legal services contracts are dated 1998. Mr. Grady reported that legal RFPs are conducted

through Corporation Counsel under the Ordinances. Ms. Mayr asked whether the current legal services contracts are with the Pension Board. Mr. Grady indicated that the current legal services contracts are through the Pension Board, but the next legal services contracts will be changed during the next RFP for legal counsel and be contracted through Corporation Counsel. Ms. Mayr asked when the next RFP for legal counsel will be issued. Mr. Grady responded that Mr. Domina will decide when the next RFP for legal counsel will be issued. Ms. Mayr stated that the County Board directed the Pension Board to issue RFPs for all of its service providers and that legal counsel should be on the list of service providers to be issued RFPs. Mr. Grady stated that it is not the Pension Board's responsibility to issue an RFP for legal counsel.

12. Buck Consultants' ("Buck") Contract Amendment – Fees

Mr. Grady stated that he contacted Buck as directed by the Pension Board regarding Buck's proposed annual fee increase. He reported that Buck agreed to annual increases to its supplementary service fees equal to one-half of the Consumer Price Index for All Urban Consumers.

13. Employee Election – Rule 1020 Possible Amendments

Mr. Arena discussed the possible changes to the Pension Board member election process. He indicated that he had asked Mr. Schroeder to compare the current election process to the City of Milwaukee Employees' Retirement System mailed ballot process. Mr. Arena noted that based on the cost/benefit analysis prepared by Mr. Schroeder, he recommends that the Pension Board adopt the process of a mailed ballot election. In response to a question from Ms. Mayr, Mr. Schroeder replied that he used City and County data in preparing his cost estimates. In response to a question from Mr. Felber, Mr. Schroeder explained how he calculated the direct cost for on-site voting. Mr. Schroeder also described the methodology he used to estimate the indirect costs for the voting process.

Mr. Schroeder indicated that he inquired about fraud concerns for elections conducted through the mail and learned that both the City of Milwaukee Employees' Retirement System and the ERS retiree election have not encountered any fraud. Mr. Schroeder explained the safeguards that have been used in previous elections conducted through the mail. Mr. Felber stated that the City might not know of fraud. He expressed that he wants people who care enough about the election to go out and vote and that the Pension Board need not accommodate those unwilling to make an effort to vote. Mr. Schroeder opined that an election conducted through the mail would increase voter turnout, cut cost and increase control over the election. Mr. Felber commented that an easier election may not be a better election. He indicated that as President of the Deputy Sheriff's Association, a number of mailings are always returned due to incorrect addresses. He asked what would happen if a person claims not to receive an election ballot. Ms. Mayr suggested that the Pension Board should continue to use, but improve, the in-person voting process for employee member elections.

The Pension Board unanimously agreed to continue to use, but improve the process of, in-person voting to elect employee members of the Pension Board. Motion by Ms. Mayr, seconded by Mr. Felber.

Mr. Grady discussed a memorandum regarding the qualifications of a County employee for election to the Pension Board. Ms. Mayr questioned whether the Pension Board is adequately overseeing the administration and proper operation of the Milwaukee County General Ordinances. Mr. Grady opined that setting the qualifications for membership of the Pension Board is a governance function performed by the County as ERS plan sponsor. Ms. Mayr asked whether the Pension Board has been interpreting the Ordinances properly and whether benefit payments have been calculated correctly. Mr. Weber stated that the matter under discussion is not on the agenda and should be added to a future agenda.

14. Practice for Public Participation

Mr. Weber stated that Ms. Mayr suggested the use of comment cards for meeting attendees to provide comments and ask questions during the meeting. Mr. Weber indicated that Dr. Roepke wants to institute a public comment period at the beginning of meetings to streamline the meetings. Mr. Felber noted that committees of the Milwaukee County Board of Supervisors have attendees fill out cards with requests to speak on certain items. He pointed out that some items are "for information only," which means that no comments are allowed. He opined that those meetings are very well organized, but noted that they may run longer. Mr. Weber stated that the goal of the public comment period is to ensure the meeting proceeds on an orderly basis. Mr. Loeffel described the procedures of the County Board and noted that the person running the meeting must recognize the person before they speak. Mr. Grady expressed that Pension Board meetings may be too informal, as people speak without the Chairman's recognition. Ms. Mayr stated that she does not see this as a current problem. Mr. Weber indicated that the public comment period should continue to be listed on the agenda as an open issue

15. Administrative Matters

(a) Program for Advanced Trustee Studies

Mr. Weber stated that Dr. Roepke wanted him to seek approval for Board members to attend the Program for Advanced Trustee Studies.

The Pension Board unanimously approved the attendance of any member who wants to attend the Program for Advanced Trustee Studies at Harvard Law School in Cambridge, Massachusetts from July 22 through July 24, 2008. Motion by Dr. Peck, seconded by Mr. Felber.

Mr. Cohen moved that the Pension Board adjourn into closed session for the purpose of receiving oral or written advice from legal counsel concerning strategy to be adopted with respect to pending or possible litigation and for considering the financial, medical, social or personal histories or disciplinary data of specific persons which, if discussed in public, would be likely to have a substantial adverse effect upon the reputation of any person referred to in such histories or data.

The Pension Board voted 6-1 by roll call vote, with Ms. Mayr dissenting, to enter into closed session to discuss items 16, 17, 18 and 19. Motion by Mr. Cohen, seconded by Mr. Mawicke.

16. Disability Pension

(a) Ordinary Disability Application – Tracy Conrad

Upon returning to open session, the Pension Board unanimously approved the disability pension of Tracy Conrad based upon the report of the Medical Board. Motion by Mr. Cohen, seconded by Ms. Bedford.

(b) Deferred Vested Disability Pension Applications

In closed session, the Board discussed the ability of a former employee to apply for a disability pension.

17. Pending Litigation

The Board discussed the following pending litigation in closed session:

Milwaukee County, et al. v. Mercer Human Resource Consulting.

18. Report on Special Investigation

The Board discussed the report on special investigation in closed session.

19. Report on Compliance Review

The Board discussed the report on compliance review in closed session.

20. Future Topics

After returning to open session, the Pension Board reviewed the future topics list, noting that the investment consultant RFP is the next RFP that it will issue.

21. Adjournment

The meeting adjourned at 1:05 p.m.

Submitted by Steven D. Huff,
Secretary of the Pension Board